

SECOND REGULAR SESSION

# SENATE BILL NO. 775

95TH GENERAL ASSEMBLY

---

---

INTRODUCED BY SENATOR DAYS.

Read 1st time January 14, 2010, and ordered printed.

TERRY L. SPIELER, Secretary.

3948S.02I

---

---

## AN ACT

To repeal section 163.011, RSMo, and to enact in lieu thereof one new section relating to state funding for gifted education for elementary and secondary education.

---

---

*Be it enacted by the General Assembly of the State of Missouri, as follows:*

Section A. Section 163.011, RSMo, is repealed and one new section  
2 enacted in lieu thereof, to be known as section 163.011, to read as follows:

163.011. As used in this chapter unless the context requires otherwise:

2 (1) "Adjusted operating levy", the sum of tax rates for the current year for  
3 teachers' and incidental funds for a school district as reported to the proper  
4 officer of each county pursuant to section 164.011, RSMo;

5 (2) "Average daily attendance", the quotient or the sum of the quotients  
6 obtained by dividing the total number of hours attended in a term by resident  
7 pupils between the ages of five and twenty-one by the actual number of hours  
8 school was in session in that term. To the average daily attendance of the  
9 following school term shall be added the full-time equivalent average daily  
10 attendance of summer school students. "Full-time equivalent average daily  
11 attendance of summer school students" shall be computed by dividing the total  
12 number of hours, except for physical education hours that do not count as credit  
13 toward graduation for students in grades nine, ten, eleven, and twelve, attended  
14 by all summer school pupils by the number of hours required in section 160.011,  
15 RSMo, in the school term. For purposes of determining average daily attendance  
16 under this subdivision, the term "resident pupil" shall include all children  
17 between the ages of five and twenty-one who are residents of the school district  
18 and who are attending kindergarten through grade twelve in such district. If a  
19 child is attending school in a district other than the district of residence and the

**EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.**

20 child's parent is teaching in the school district or is a regular employee of the  
21 school district which the child is attending, then such child shall be considered  
22 a resident pupil of the school district which the child is attending for such period  
23 of time when the district of residence is not otherwise liable for tuition. Average  
24 daily attendance for students below the age of five years for which a school  
25 district may receive state aid based on such attendance shall be computed as  
26 regular school term attendance unless otherwise provided by law;

27 (3) "Current operating expenditures":

28 (a) For the fiscal year 2007 calculation, "current operating expenditures"  
29 shall be calculated using data from fiscal year 2004 and shall be calculated as all  
30 expenditures for instruction and support services except capital outlay and debt  
31 service expenditures minus the revenue from federal categorical sources; food  
32 service; student activities; categorical payments for transportation costs pursuant  
33 to section 163.161; state reimbursements for early childhood special education;  
34 the career ladder entitlement for the district, as provided for in sections 168.500  
35 to 168.515, RSMo; the vocational education entitlement for the district, as  
36 provided for in section 167.332, RSMo; and payments from other districts;

37 (b) In every fiscal year subsequent to fiscal year 2007, current operating  
38 expenditures shall be the amount in paragraph (a) of this subdivision plus any  
39 increases in state funding pursuant to sections 163.031 and 163.043 subsequent  
40 to fiscal year 2005, not to exceed five percent, per recalculation, of the state  
41 revenue received by a district in the 2004-05 school year from the foundation  
42 formula, line 14, gifted, remedial reading, exceptional pupil aid, fair share, and  
43 free textbook payments for any district from the first preceding calculation of the  
44 state adequacy target. Beginning on July 1, 2010, current operating expenditures  
45 shall be the amount in paragraph (a) of this subdivision plus any increases in  
46 state funding pursuant to sections 163.031 and 163.043 subsequent to fiscal year  
47 2005 received by a district in the 2004-05 school year from the foundation  
48 formula, line 14, gifted, remedial reading, exceptional pupil aid, fair share, and  
49 free textbook payments for any district from the first preceding calculation of the  
50 state adequacy target;

51 (4) "District's tax rate ceiling", the highest tax rate ceiling in effect  
52 subsequent to the 1980 tax year or any subsequent year. Such tax rate ceiling  
53 shall not contain any tax levy for debt service;

54 (5) "Dollar-value modifier", an index of the relative purchasing power of  
55 a dollar, calculated as one plus fifteen percent of the difference of the regional

56 wage ratio minus one, provided that the dollar value modifier shall not be applied  
57 at a rate less than 1.0:

58 (a) "County wage per job", the total county wage and salary disbursements  
59 divided by the total county wage and salary employment for each county and the  
60 city of St. Louis as reported by the Bureau of Economic Analysis of the United  
61 States Department of Commerce for the fourth year preceding the payment year;

62 (b) "Regional wage per job":

63 a. The total Missouri wage and salary disbursements of the metropolitan  
64 area as defined by the Office of Management and Budget divided by the total  
65 Missouri metropolitan wage and salary employment for the metropolitan area for  
66 the county signified in the school district number or the city of St. Louis, as  
67 reported by the Bureau of Economic Analysis of the United States Department  
68 of Commerce for the fourth year preceding the payment year and recalculated  
69 upon every decennial census to incorporate counties that are newly added to the  
70 description of metropolitan areas; or if no such metropolitan area is established,  
71 then:

72 b. The total Missouri wage and salary disbursements of the micropolitan  
73 area as defined by the Office of Management and Budget divided by the total  
74 Missouri micropolitan wage and salary employment for the micropolitan area for  
75 the county signified in the school district number, as reported by the Bureau of  
76 Economic Analysis of the United States Department of Commerce for the fourth  
77 year preceding the payment year, if a micropolitan area for such county has been  
78 established and recalculated upon every decennial census to incorporate counties  
79 that are newly added to the description of micropolitan areas; or

80 c. If a county is not part of a metropolitan or micropolitan area as  
81 established by the Office of Management and Budget, then the county wage per  
82 job, as defined in paragraph (a) of this subdivision, shall be used for the school  
83 district, as signified by the school district number;

84 (c) "Regional wage ratio", the ratio of the regional wage per job divided by  
85 the state median wage per job;

86 (d) "State median wage per job", the fifty-eighth highest county wage per  
87 job;

88 (6) "Free and reduced lunch pupil count", the number of pupils eligible for  
89 free and reduced lunch on the last Wednesday in January for the preceding school  
90 year who were enrolled as students of the district, as approved by the department  
91 in accordance with applicable federal regulations;

92 (7) "Free and reduced lunch threshold" shall be calculated by dividing the  
93 total free and reduced lunch pupil count of every performance district that falls  
94 entirely above the bottom five percent and entirely below the top five percent of  
95 average daily attendance, when such districts are rank-ordered based on their  
96 current operating expenditures per average daily attendance, by the total average  
97 daily attendance of all included performance districts;

98 (8) **"Gifted education pupil count", the number of pupils who**  
99 **qualify as "gifted" under the definition of "gifted children" in section**  
100 **162.675, and who are enrolled in a gifted education program provided**  
101 **by the district on the last Wednesday in January for the immediately**  
102 **preceding academic year but not to exceed five percent of the district's**  
103 **immediately preceding academic year enrollment; provided that this**  
104 **subdivision shall not be construed to limit any district from identifying**  
105 **or in any manner providing gifted education services to more than five**  
106 **percent of the district's enrolled pupils;**

107 (9) "Limited English proficiency pupil count", the number in the preceding  
108 school year of pupils aged three through twenty-one enrolled or preparing to  
109 enroll in an elementary school or secondary school who were not born in the  
110 United States or whose native language is a language other than English or are  
111 Native American or Alaskan native, or a native resident of the outlying areas,  
112 and come from an environment where a language other than English has had a  
113 significant impact on such individuals' level of English language proficiency, or  
114 are migratory, whose native language is a language other than English, and who  
115 come from an environment where a language other than English is dominant; and  
116 have difficulties in speaking, reading, writing, or understanding the English  
117 language sufficient to deny such individuals the ability to meet the state's  
118 proficient level of achievement on state assessments described in Public Law  
119 107-10, the ability to achieve successfully in classrooms where the language of  
120 instruction is English, or the opportunity to participate fully in society;

121 [(9)] (10) "Limited English proficiency threshold" shall be calculated by  
122 dividing the total limited English proficiency pupil count of every performance  
123 district that falls entirely above the bottom five percent and entirely below the  
124 top five percent of average daily attendance, when such districts are rank-ordered  
125 based on their current operating expenditures per average daily attendance, by  
126 the total average daily attendance of all included performance districts;

127 [(10)] (11) "Local effort":

128 (a) For the fiscal year 2007 calculation, "local effort" shall be computed as  
129 the equalized assessed valuation of the property of a school district in calendar  
130 year 2004 divided by one hundred and multiplied by the performance levy less the  
131 percentage retained by the county assessor and collector plus one hundred  
132 percent of the amount received in fiscal year 2005 for school purposes from  
133 intangible taxes, fines, escheats, payments in lieu of taxes and receipts from  
134 state-assessed railroad and utility tax, one hundred percent of the amount  
135 received for school purposes pursuant to the merchants' and manufacturers' taxes  
136 under sections 150.010 to 150.370, RSMo, one hundred percent of the amounts  
137 received for school purposes from federal properties under sections 12.070 and  
138 12.080, RSMo, except when such amounts are used in the calculation of federal  
139 impact aid pursuant to P.L. 81-874, fifty percent of Proposition C revenues  
140 received for school purposes from the school district trust fund under section  
141 163.087, and one hundred percent of any local earnings or income taxes received  
142 by the district for school purposes. Under this paragraph, for a special district  
143 established under sections 162.815 to 162.940, RSMo, in a county with a charter  
144 form of government and with more than one million inhabitants, a tax levy of zero  
145 shall be utilized in lieu of the performance levy for the special school district;

146 (b) In every year subsequent to fiscal year 2007, "local effort" shall be the  
147 amount calculated under paragraph (a) of this subdivision plus any increase in  
148 the amount received for school purposes from fines. If a district's assessed  
149 valuation has decreased subsequent to the calculation outlined in paragraph (a)  
150 of this subdivision, the district's local effort shall be calculated using the district's  
151 current assessed valuation in lieu of the assessed valuation utilized in the  
152 calculation outlined in paragraph (a) of this subdivision;

153 ~~[(11)]~~ **(12)** "Membership" shall be the average of:

154 (a) The number of resident full-time students and the full-time equivalent  
155 number of part-time students who were enrolled in the public schools of the  
156 district on the last Wednesday in September of the previous year and who were  
157 in attendance one day or more during the preceding ten school days; and

158 (b) The number of resident full-time students and the full-time equivalent  
159 number of part-time students who were enrolled in the public schools of the  
160 district on the last Wednesday in January of the previous year and who were in  
161 attendance one day or more during the preceding ten school days, plus the  
162 full-time equivalent number of summer school pupils. "Full-time equivalent  
163 number of part-time students" is determined by dividing the total number of

164 hours for which all part-time students are enrolled by the number of hours in the  
165 school term. "Full-time equivalent number of summer school pupils" is  
166 determined by dividing the total number of hours for which all summer school  
167 pupils were enrolled by the number of hours required pursuant to section  
168 160.011, RSMo, in the school term. Only students eligible to be counted for  
169 average daily attendance shall be counted for membership;

170 [(12)] (13) "Operating levy for school purposes", the sum of tax rates  
171 levied for teachers' and incidental funds plus the operating levy or sales tax  
172 equivalent pursuant to section 162.1100, RSMo, of any transitional school district  
173 containing the school district, in the payment year, not including any equalized  
174 operating levy for school purposes levied by a special school district in which the  
175 district is located;

176 [(13)] (14) "Performance district", any district that has met all  
177 performance standards and indicators as established by the department of  
178 elementary and secondary education for purposes of accreditation under section  
179 161.092, RSMo, and as reported on the final annual performance report for that  
180 district each year;

181 [(14)] (15) "Performance levy", three dollars and forty-three cents;

182 [(15)] (16) "School purposes" pertains to teachers' and incidental funds;

183 [(16)] (17) "Special education pupil count", the number of public school  
184 students with a current individualized education program or services plan and  
185 receiving services from the resident district as of December first of the preceding  
186 school year, except for special education services provided through a school  
187 district established under sections 162.815 to 162.940, RSMo, in a county with a  
188 charter form of government and with more than one million inhabitants, in which  
189 case the sum of the students in each district within the county exceeding the  
190 special education threshold of each respective district within the county shall be  
191 counted within the special district and not in the district of residence for  
192 purposes of distributing the state aid derived from the special education pupil  
193 count;

194 [(17)] (18) "Special education threshold" shall be calculated by dividing  
195 the total special education pupil count of every performance district that falls  
196 entirely above the bottom five percent and entirely below the top five percent of  
197 average daily attendance, when such districts are rank-ordered based on their  
198 current operating expenditures per average daily attendance, by the total average  
199 daily attendance of all included performance districts;

200            [(18)] (19) "State adequacy target", the sum of the current operating  
201 expenditures of every performance district that falls entirely above the bottom  
202 five percent and entirely below the top five percent of average daily attendance,  
203 when such districts are rank-ordered based on their current operating  
204 expenditures per average daily attendance, divided by the total average daily  
205 attendance of all included performance districts. The department of elementary  
206 and secondary education shall first calculate the state adequacy target for fiscal  
207 year 2007 and recalculate the state adequacy target every two years using the  
208 most current available data. The recalculation shall never result in a decrease  
209 from the previous state adequacy target amount. Should a recalculation result  
210 in an increase in the state adequacy target amount, fifty percent of that increase  
211 shall be included in the state adequacy target amount in the year of recalculation,  
212 and fifty percent of that increase shall be included in the state adequacy target  
213 amount in the subsequent year. The state adequacy target may be adjusted to  
214 accommodate available appropriations;

215            [(19)] (20) "Teacher", any teacher, teacher-secretary, substitute teacher,  
216 supervisor, principal, supervising principal, superintendent or assistant  
217 superintendent, school nurse, social worker, counselor or librarian who shall,  
218 regularly, teach or be employed for no higher than grade twelve more than  
219 one-half time in the public schools and who is certified under the laws governing  
220 the certification of teachers in Missouri;

221            [(20)] (21) "Weighted average daily attendance", the average daily  
222 attendance plus the product of twenty-five hundredths multiplied by the free and  
223 reduced lunch pupil count that exceeds the free and reduced lunch threshold, plus  
224 the product of seventy-five hundredths multiplied by the number of special  
225 education pupil count that exceeds the special education threshold, plus the  
226 product of six-tenths multiplied by the number of limited English proficiency  
227 pupil count that exceeds the limited English proficiency threshold, **and**  
228 **beginning July 1, 2012, plus the product of twenty-five hundredths**  
229 **multiplied by the number of the district's gifted education pupil**  
230 **count.** For special districts established under sections 162.815 to 162.940,  
231 RSMo, in a county with a charter form of government and with more than one  
232 million inhabitants, weighted average daily attendance shall be the average daily  
233 attendance plus the product of twenty-five hundredths multiplied by the free and  
234 reduced lunch pupil count that exceeds the free and reduced lunch threshold, plus  
235 the product of seventy-five hundredths multiplied by the sum of the special

236 education pupil count that exceeds the threshold for each county district, plus the  
237 product of six-tenths multiplied by the limited English proficiency pupil count  
238 that exceeds the limited English proficiency threshold. None of the districts  
239 comprising a special district established under sections 162.815 to 162.940,  
240 RSMo, in a county with a charter form of government and with more than one  
241 million inhabitants, shall use any special education pupil count in calculating  
242 their weighted average daily attendance.

✓  
Unofficial

Bill

Copy